

## Message Text

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71

ORIGIN EB-11

INFO OCT-01 ARA-16 ISO-00 AGR-20 COME-00 AID-20 L-03 H-03

OMB-01 TRSE-00 CIAE-00 INR-10 NSAE-00 PA-04 RSC-01

USIA-15 PRS-01 SPC-03 STR-08 IO-14 SAM-01 /132 R

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ARA/ECP:CWREYNOLDS

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ARA/NC:MFORRESTER

EB/ODF/OIA:MCKENNEDY

----- 047243

R 082212Z MAR 74

FM SECSTATE WASHDC

TO AMEMBASSY ASUNCION

AMEMBASSY BOGOTA

AMEMBASSY CARACAS

AMEMBASSY GUATEMALA

AMEMBASSY LA PAZ

AMEMBASSY MANAGUA

AMEMBASSY SAN SALVADOR

AMEMBASSY SANTO DOMINGO

AMEMBASSY TEGUCIGALPA

INFO AMEMBASSY SAN JOSE

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E.O. 11652 N/A

TAGS: ETRD, EAGR

SUBJECT: SUGAR HEARINGS: PRESENTATIONS FOR COLOMBIA, EL  
SALVADOR, GUATEMALA, HONDURAS, NICARAGUA, PARA-  
GUAY, AND VENEZUELA

REF: STATE 26559

1. LOBBYISTS REPRESENTING SUGAR SUPPLIERS IN ADDRESSEE  
COUNTRIES AND OTHER PUBLIC WITNESSES APPEARED BEFORE HOUSE  
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AGRICULTURE COMMITTEE MARCH 8. STATEMENTS COVERING POINTS

SET OUT PARA 3 REFTEL WERE MADE.

2. THOMAS BOGGS AND DAVID TODD PRESENTED CASES OF MEMBER COUNTRIES OF CENTRAL AMERICAN SUGAR COUNCIL. QUOTA REQUESTS WERE EL SALVADOR, 125,000 TONS; GUATEMALA, 150,000 TONS; HONDURAS, CURRENT LEVEL THROUGH 1975 AND 25,000 THEREAFTER; NICARAGUA, 125,000 TONS. BOGGS SAID CENTRAL AMERICANS WISH CONTINUE PARTICIPATION IN U.S. MARKET AND POINTED TO EXPANSION OF PRODUCTION IN THE AREA IN RECENT YEARS. HE REQUESTED THAT SMALL WESTERN HEMISPHERE PRODUCERS BE FAVORED IN ALLOCATION OF QUOTAS AND THAT CENTRAL AMERICAN COMMON MARKET PREFERENCE ON RE-ALLOCATION OF SHORTFALLS FROM WITHIN THE AREA BE RETAINED. HE ALSO REQUESTED THAT ACT BE EXTENDED FOR NOT LESS THAN FIVE YEARS. TODD POINTED OUT SPECIAL IMPORTANCE OF SUGAR TO EACH COUNTRY. HE MADE SPECIAL POINT OF PROBLEM FACING HONDURAS WHICH UNDER CURRENT LAW MUST EXPORT TO WORLD MARKET AMOUNT OF LAST YEARS IMPORTS TO AVOID SUSPENSION ITS QUOTA IN 1975, AND ASKED THAT THIS MANDATORY PROVISION BE MADE DISCRETIONARY IN NEW LEGISLATION. NO BILATERAL ISSUES WERE RAISED DURING QUESTIONING.

3. BLAKE FRANKLIN, FOR COLOMBIA, REQUESTED QUOTA INCREASE TO 120,000 ONS. HE BASED CASE ON COLOMBIA'S PERFORMANCE RECORD AND FRIENDLY BILATERAL RELATIONS. COMMITTEE RAISED NO PROBLEMS DURING QUESTIONING.

4. SHELDON KAPLAN FOR PARAGUAY, REQUESTED MODEST INCREASE TO 10,000 TONS. HE BASED CASE ON IMPORTANCE OF SUGAR TO ECONOMY AND SAID PARAGUAY WOULD CONTINUE TO FULFILL ITS COMMITMENTS. NO BILATERAL ISSUES WERE RAISED.

5. DESPITE VENEZUELAN SHORTFALL IN 1973 AND INABILITY FILL QUOTA IN 1974, EDWARD MERRIGAN ASKED THAT VENEZUELA QUOTA BE RETAINED AT CURRENT LEVEL. HE ATTRIBUTED INABILITY TO PERFORM OVER PAST TWO YEARS TO DROUGHT. MERRIGAN THEN TOOK OFFENSIVE TO DEFEND VENEZUELA'S PERFORMANCE ON PETROLEUM ISSUES, SAYING THAT VENEZUELA HAS INCREASED SHIPMENTS TO U.S. SINCE CRISIS BEGAN. HE SAID VENEZUELA COOPERATES CLOSELY WITH AND IS GOOD CUSTOMER OF U.S. AND UNCLASSIFIED

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POINTED OUT DRAMATIC RISE IN PRICES OF U.S. AGRICULTURAL AND OTHER EXPORTS AS WELL AS SOYBEAN AND STEEL SCRAP EXPORT CONTROLS IMPOSED BY U.S. IN ANSWER TO QUESTION FROM CONGRESSMAN WAMPLER, MERRIGAN SAID THAT IF VENEZUELA RECEIVES SUFFICIENT RAIN, IT WOULD BE HAPPY TRADE SUGAR QUOTA FOR OIL.

6. FOR SANTO DOMINGO: WESLEY MCDONALD, ATTORNEY FOR

BENITEZ REXACH APPEARED TO PROPOSE THAT DISCRETIONARY PROVISIONS OF CURRENT SUGAR ACT (SECTION 408) (C) BE STRENGTHENED IN NEW ACT. HE SAID DOMINICAN AND U.S. GOVERNMENTS APPEARED TO BE MAKING NO REAL EFFORT TO RESOLVE THIS LONG-STANDING CASE AND SUGGESTED THAT ONLY CONGRESS, THROUGH MANDATORY PROVISIONS OF LAW, CAN DO SO. CHAIRMAN POAGE AND SEVERAL OTHER COMMITTEE MEMBERS REMARKED THAT THEY WISHED TO FIND SOLUTION FOR FACT INDIVIDUAL U.S. CITIZENS CANNOT ADEQUATELY REPRESENT THEMSELVES IN EXPROPRIATION CASES.

7. FOR LA PAZ: REX YOUNGQUIST APPEARED WITH ATTORNEY J. ANTHONY MORAN TO ASK SIMILAR MANDATORY PROVISION IN EXPROPRIATION CASES. MORAN SAID THAT IF GOOD FAITH EFFORTS BEING MADE TO SETTLE APPELATE-YOUNGQUIST CASE, HE UNAWARE OF THEM. WITH RESPECT TO OFFER OF LAND TO REPLACE THAT EXPROPRIATED, IT WAS UNACCESSIBLE EXCEPT BY AIRPLANE AND A MAJOR PART OF IT UNDER WATER MOST OF THE YEAR. SEVERAL COMMITTEE MEMBERS EXPRESSED SYMPATHY AND

INDIGNATION WITH LACK OF ACTION ON THIS CASE.

8. TEXTS OF STATEMENTS WILL BE POUCHED. KISSINGER

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## Message Attributes

**Automatic Decaptioning:** X  
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**Control Number:** n/a  
**Copy:** SINGLE  
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**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
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**Disposition Date:** 01 JAN 1960  
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